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HOUSE BILL 1879

State of Washington 57th Legislature 2001 Regular Session

By Representatives Linville, G. Chandler, Haigh, Delvin, Doumit, Cairnes, Rockefeller, Roach, Lantz and Cooper

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- AN ACT Relating to public water systems; amending RCW 90.03.015,
- 2 90.03.330, 90.03.460, 90.03.386, and 90.03.383; adding new sections to
- 3 chapter 90.03 RCW; and adding a new section to chapter 43.20 RCW.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 90.03 RCW 6 to read as follows:
- 7 It is in the public interest for municipal water suppliers to be
- 8 able to use water resources to meet the current and future water supply
- 9 needs of the public generally and to achieve the objectives of the
- 10 state's growth management act, chapter 36.70A RCW, where applicable.
- 11 A growing communities doctrine, that acknowledges the distinctive role
- 12 of municipal water suppliers to maintain sufficient water to support
- 13 future growth within the state, has been implicitly recognized in our
- 14 statutes and is hereby explicitly adopted. Accordingly, the
- 15 legislature declares that water rights shall be interpreted and
- 16 administered in recognition of the distinctive role and legal duties
- 17 that municipal water suppliers have to serve growing communities,
- 18 specifically including but not limited to the following: Municipal
- 19 water suppliers may acquire and retain water rights for reasonably

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- anticipated future needs; water rights held by municipal water 1 suppliers shall have a place of use consistent with applicable growth 2 management and water system planning statutes; and reasonable diligence 3 4 for fully developing new and existing water rights held by municipal water suppliers shall be interpreted consistent with the needs of 5 growing communities for reasonable assurance of continued future water 6 7 It is further the intent of the legislature that municipal water suppliers shall comply with applicable environmental laws and 8 rules, including those that provide for protection of fish habitat, and 9 10 applicable state water conservation requirements.
- 11 **Sec. 2.** RCW 90.03.015 and 1987 c 109 s 65 are each amended to read 12 as follows:
- 13 As used in this chapter and chapters 90.14 and 90.44 RCW:
- 14 (1) "Department" means the department of ecology;
- 15 (2) "Director" means the director of ecology; ((and))
- 16 (3) "Municipal water supplier" means a purveyor, as defined in RCW 70.116.030(4), that is either: (a) A municipal corporation; or (b) an 17 18 entity that (i) owns or operates a public water system that is entitled 19 or obligated to serve existing and additional customers and uses within one or more approved water service areas to the extent such customers 20 and uses are allowed under an applicable land use plan, and (ii) has an 21 22 approved water system plan pursuant to chapter 43.20 RCW that includes 23 supplies of water for domestic use, commercial use, and use by publicly 24 owned institutions or structures;
- 25 (4) "Municipal water supply purposes" means any use for which water
 26 is or is anticipated to be provided by a municipal water supplier; and
 27 (5) "Person" means any firm, association, water users' association,
 28 corporation, irrigation district, or municipal corporation, as well as
 29 an individual.
- 30 **Sec. 3.** RCW 90.03.330 and 1987 c 109 s 89 are each amended to read 31 as follows:
- (1) Upon a showing satisfactory to the department that any appropriation has been perfected in accordance with the provisions of this chapter, it shall be the duty of the department to issue to the applicant a certificate stating such facts in a form to be prescribed by ((him)) the director, and such certificate shall thereupon be recorded with the department. Any original water right certificate

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- issued, as provided by this chapter, shall be recorded with the department and thereafter, at the expense of the party receiving the same, be by the department transmitted to the county auditor of the county or counties where the distributing system or any part thereof is located, and be recorded in the office of such county auditor, and thereafter be transmitted to the owner thereof.
- 7 (2) Any water right certificate issued before the effective date of
 8 this act and held by a municipal water supplier shall be considered a
 9 water right in good standing where: (a) The water has been applied to
 10 beneficial use; or (b) the water is to be used for reasonably
 11 anticipated future needs.
- 12 (3) Except as set forth in RCW 90.03.240, the department shall not 13 rescind or reissue any water right certificate without the consent of 14 the water right holder. Nothing in this section shall prohibit the department from correcting ministerial errors in a water right 15 certificate; nor shall this section be construed to prohibit the 16 department from issuing a certificate pursuant to RCW 90.03.380 or an 17 amendment pursuant to RCW 90.44.100, when the certificate holder 18 19 applies to the department for a transfer or change pursuant to RCW 90.03.380 or for an amendment pursuant to RCW 90.44.100. 20
- 21 **Sec. 4.** RCW 90.03.460 and 1917 c 117 s 43 are each amended to read 22 as follows:
- 23 (1) Nothing in this chapter contained shall operate to effect an 24 impairment of any inchoate right to divert and use water while the 25 application of the water in question to a beneficial use is being prosecuted with reasonable diligence, having due regard to the 26 27 circumstances surrounding the enterprise, including the magnitude of the project for putting the water to a beneficial use and the market 28 for the resulting water right for irrigation or power or other 29 30 beneficial use, in the locality in question.
- (2) A municipal water supplier prosecutes its water right with 31 reasonable diligence when the right has been or is identified to meet 32 33 existing or reasonably anticipated future needs in an approved water system plan pursuant to chapter 43.20 RCW or an approved coordinated 34 water system plan pursuant to chapter 70.116 RCW. This subsection 35 shall not be interpreted to limit or exclude other methods or means of 36 prosecuting a water right with reasonable diligence, including, without 37 38 limitation, installed system capacity.

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- (3) Municipal water suppliers shall have a minimum of fifty years 1 from the latest approval of a plan identified in subsection (2) of this 2 3 section to put to use their water rights identified for reasonably 4 anticipated future use. Municipal water suppliers may have additional time based on the particular facts and circumstances, including, 5 without limitation, the size and nature of the water diversion or 6 conveyance project, projected useful life of facilities, size and 7 8 nature of service areas, growth projections, system interconnections,
- 10 **Sec. 5.** RCW 90.03.386 and 1991 c 350 s 2 are each amended to read 11 as follows:

water conservation, and financing requirements.

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- Within service areas established pursuant to chapters 43.20 and 12 13 70.116 RCW, the department of ecology and the department of health 14 shall coordinate approval procedures to ensure compliance and 15 consistency with the approved water system plan. For water appropriations held by a municipal water supplier, the place of use 16 shall be the water service areas in the municipal water supplier's 17 18 water system plan approved pursuant to chapter 43.20 RCW or coordinated water system plan approved pursuant to chapter 70.116 RCW, as either 19 plan may be amended from time to time. 20
- NEW SECTION. Sec. 6. A new section is added to chapter 90.03 RCW to read as follows:
- The beneficial use of water governed by an inchoate water right or inchoate portion of a water right described in RCW 90.03.330 that begins on or after the effective date of this section is subject to the following conditions:
 - (1) The beneficial use shall be consistent with any watershed plan adopted under chapter 90.82 RCW that is applicable to the watershed in which the water is diverted or withdrawn and the watershed in which the water is used, and is consistent with any requirements for mitigating the effects of water diversions and withdrawals in the watershed that are identified in the plan. Further, the municipal water supplier holding the water right shall participate in any watershed planning conducted under chapter 90.82 RCW for the watershed.
- 35 (2) The water system plan approved by the department of health for 36 the public water system shall satisfy the requirements that apply to 37 the plan under section 7(1) (b) and (c) of this act and the water

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- withdrawal target rate applicable to the plan shall be achieved by the
- 2 public water system by the end of the six-year life of the plan.
- 3 Achieving a more water use efficient withdrawal rate is desirable but
- 4 not required. This subsection (2) applies to a public water system
- 5 with one thousand or more service connections.
- 6 (3) For a use of water from or in a watershed in which one or more
- 7 aquatic species have been listed as threatened or endangered under the
- 8 federal endangered species act, 16 U.S.C. Sec. 1531 et seq., the
- 9 beneficial use shall be consistent with requirements imposed by the
- 10 federal government under the act on such a use in the watershed.
- 11 <u>NEW SECTION.</u> **Sec. 7.** A new section is added to chapter 43.20 RCW
- 12 to read as follows:
- 13 (1)(a) Each year, the department of health shall determine the
- 14 volume of water annually withdrawn by each public water system with one
- 15 thousand or more service connections and shall determine the annual
- 16 average amount of water withdrawn per service connection in the system.
- 17 The secretary of health may adjust the average as described in
- 18 subsection (2) of this section. The department shall group the systems
- 19 by geographic areas with similar climatological characteristics and,
- 20 using these averages and adjusted averages as appropriate, shall
- 21 determine the annual average amount of water withdrawn per service
- 22 connection in each such group. This average for the public water
- 23 systems in each geographic group constitutes the water withdrawal
- 24 target rate for the group. The department shall publish these target
- 25 rates annually.
- 26 (b) Each water system plan of a public water system with one
- 27 thousand or more connections submitted to the department of health for
- 28 approval shall be for a six-year planning period. Beginning January 1,
- 29 2004, an inchoate portion of such a public water system's water right
- 30 shall not be developed or transferred, changed, or amended for
- 31 development unless the development or transfer, change, or amendment
- 32 for development is described in a water system plan approved by the
- 33 department of health for the system, the plan satisfies the
- 34 requirements of (c) of this subsection, and the development or
- 35 transfer, change, or amendment takes place during the six-year life of
- 36 the water system plan.
- 37 (c) If the water system plan for a public water system with one
- 38 thousand or more service connections includes a description of the

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development of an inchoate portion of the system's water right or the transfer, change, or amendment of an inchoate portion of the right for development, the plan shall contain provisions identifying how the annual average amount of water withdrawn per service connection by the system, as adjusted under subsection (2) of this section, will meet a water withdrawal target rate published under (b) of this subsection for the system's geographic group for either of the two calendar years preceding the system's submission of the plan to the department of health for approval. The department of health shall not approve a plan containing such a description of the development of an inchoate water right or the transfer, change, or amendment for development of an inchoate water right unless the plan identifies how the system will meet the water withdrawal target rate during the six-year life of the plan.

- (2) If the secretary of health determines that the use of water provided by a public water system is dominated by one or more very large commercial or industrial users such that the annual average of the amount of water withdrawn per service connection by the system calculated by the department under subsection (1)(a) of this section is quite different than it would be, considering water use rates by each category of use, if the commercial or industrial water use were not so disproportionate to other uses, the secretary may adjust the annual average calculated for the water system to compensate for the disproportionate use. The secretary shall adopt rules identifying the circumstances under which such adjustments may be made and how they may be made.
- (3) The department of health shall provide enhanced technical assistance to public water systems that are developing water system plans to meet water withdrawal target rates. The objective of the enhanced support is to assist the systems in identifying and evaluating tools and techniques that might be used to meet the target rates.
- (4) For the purposes of this section, a public water system that achieves a water withdrawal rate under which the annual average of the amount of water withdrawn per service connection by the system is equal to or less than the water withdrawal target rate applicable to the system's water system plan has achieved the water withdrawal target rate applicable to the plan. Similarly, a plan for achieving an annual average of the amount of water withdrawn per service connection that is equal to or less than the water withdrawal target rate applicable to

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- the plan is a plan for achieving the water withdrawal target rate 1 2 applicable to the plan.
- 3 (5) For the purposes of subsections (1) and (2) of this section, a 4 water "withdrawal" means both a water diversion and a water withdrawal and water "withdrawn" refers to both water diverted and water 5 withdrawn. 6
- 7 Sec. 8. RCW 90.03.383 and 1991 c 350 s 1 are each amended to read 8 as follows:
- 9 (1) The legislature recognizes the value of interties for improving the reliability of public water systems, enhancing their management, 10 and more efficiently utilizing the increasingly limited resource. 11 12 Given the continued growth in the most populous areas of the state, the 13 increased complexity of public water supply management, and the trend 14 toward regional planning and regional solutions to resource issues, 15 interconnections of public water systems through interties provide a valuable tool to ensure reliable public water supplies for the citizens 16 of the state. Public water systems have been encouraged in the past to 17 18 utilize interties to achieve public health and resource management objectives. The legislature finds that it is in the public interest to 19 recognize interties existing and in use as of January 1, 1991, and to 20 have associated water rights modified by the department of ecology to 21 reflect current use of water through those interties, pursuant to 22 23 subsection (3) of this section. The legislature further finds it in 24 the public interest to develop a coordinated process to review 25 proposals for interties commencing use after January 1, 1991.
 - (2) For the purposes of this section, the following definitions shall apply:

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(a) "Interties" are interconnections between public water systems permitting exchange, acquisition, or delivery of water between those systems for other than emergency supply purposes, where such exchange or delivery is within established instantaneous and annual withdrawal rates specified in the systems' existing water right permits or certificates, or contained in claims filed pursuant to chapter 90.14 RCW, and which results in better management of public water supply consistent with existing rights and obligations. Interties include 36 interconnections between public water systems permitting exchange, acquisition, or delivery of water to serve as primary or secondary 37

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sources of supply((, but do not include development of new sources of supply to meet future demand)).

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- (b) "Service area" is the area designated in a water system plan or a coordinated water system plan pursuant to chapter 43.20 or 70.116 RCW respectively. When a public water system does not have a designated service area subject to the approval process of those chapters, the service area shall be the designated place of use contained in the water right permit or certificate, or contained in the claim filed pursuant to chapter 90.14 RCW.
- 10 (3) Public water systems with interties existing and in use as of January 1, 1991, or that have received written approval from the 11 department of health prior to that date, shall file written notice of 12 13 those interties with the department of health and the department of ecology. The notice may be incorporated into the public water system's 14 15 five-year update of its water system plan, but shall be filed no later 16 than June 30, 1996. The notice shall identify the location of the 17 intertie; the dates of its first use; the purpose, capacity, and current use; the intertie agreement of the parties and the service 18 19 areas assigned; and other information reasonably necessary to modify 20 the water right permit. Notwithstanding the provisions of RCW 90.03.380 and 90.44.100, for public water systems with interties 21 existing and in use as of January 1, 1991, the department of ecology, 22 23 upon receipt of notice meeting the requirements of this subsection, 24 shall, as soon as practicable, modify the place of use descriptions in 25 the water right permits, certificates, or claims to reflect the actual 26 use through such interties, provided that the place of use is within 27 service area designations established in a water system plan approved pursuant to chapter 43.20 RCW, or a coordinated water system plan 28 29 approved pursuant to chapter 70.116 RCW, and further provided that the 30 water used is within the instantaneous and annual withdrawal rates specified in the water right permit and that no outstanding complaints 31 of impairment to existing water rights have been filed with the 32 33 department of ecology prior to September 1, 1991. Where such 34 complaints of impairment have been received, the department of ecology 35 shall make all reasonable efforts to resolve them in a timely manner through agreement of the parties or through available administrative 36 37 remedies.
- 38 (4) Notwithstanding the provisions of RCW 90.03.380 and 90.44.100, 39 exchange or delivery of water through interties commencing use after

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January 1, 1991, shall be permitted when the intertie improves overall system reliability, enhances the manageability of the systems, provides opportunities for conjunctive use, or delays or avoids the need to develop new water sources, and otherwise meets the requirements of this section, provided that each public water system's water use shall not exceed the instantaneous or annual withdrawal rate specified in its water right authorization, shall not adversely affect existing water rights, and shall not be inconsistent with state-approved plans such as water system plans or other plans which include specific proposals for construction of interties. Interties commencing use after January 1, 1991, shall not be inconsistent with regional water resource plans developed pursuant to chapter 90.54 RCW.

(5) For public water systems subject to the approval process of chapter 43.20 RCW or chapter 70.116 RCW, proposals for interties commencing use after January 1, 1991, shall be incorporated into water system plans pursuant to chapter 43.20 RCW or coordinated water system plans pursuant to chapter 70.116 RCW and submitted to the department of health and the department of ecology for review and approval as provided for in subsections (5) through (9) of this section. The plan shall state how the proposed intertie will improve overall system reliability, enhance the manageability of the systems, provide opportunities for conjunctive use, or delay or avoid the need to develop new water sources.

- (6) The department of health shall be responsible for review and approval of proposals for new interties. In its review the department of health shall determine whether the intertie satisfies the criteria of subsection (4) of this section, with the exception of water rights considerations, which are the responsibility of the department of ecology, and shall determine whether the intertie is necessary to address emergent public health or safety concerns associated with public water supply.
- (7) If the intertie is determined by the department of health to be necessary to address emergent public health or safety concerns associated with public water supply, the public water system shall amend its water system plan as required and shall file an application with the department of ecology to change its existing water right to reflect the proposed use of the water as described in the approved water system plan. The department of ecology shall process the application for change pursuant to RCW 90.03.380 or 90.44.100 as

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appropriate, except that, notwithstanding the requirements of those 1 sections regarding notice and protest periods, applicants shall be 2 required to publish notice one time, and the comment period shall be 3 4 fifteen days from the date of publication of the notice. Within sixty days of receiving the application, the department of ecology shall 5 issue findings and advise the department of health if existing water 6 7 rights are determined to be adversely affected. If no determination is 8 provided by the department of ecology within the sixty-day period, the 9 department of health shall proceed as if existing rights are not adversely affected by the proposed intertie. The department of ecology 10 may obtain an extension of the sixty-day period by submitting written 11 notice to the department of health and to the applicant indicating a 12 definite date by which its determination will be made. No additional 13 14 extensions shall be granted, and in no event shall the total review 15 period for the department of ecology exceed one hundred eighty days.

- (8) If the department of health determines the proposed intertie appears to meet the requirements of subsection (4) of this section but is not necessary to address emergent public health or safety concerns associated with public water supply, the department of health shall instruct the applicant to submit to the department of ecology an application for change to the underlying water right or claim as necessary to reflect the new place of use. The department of ecology shall consider the applications pursuant to the provisions of RCW 90.03.380 and 90.44.100 as appropriate. If in its review of proposed interties and associated water rights the department of ecology determines that additional information is required to act on the application, the department may request applicants to provide information necessary for its decision, consistent with agency rules and written guidelines. Parties disagreeing with the decision of the department of ecology on the application for change in place of use may appeal the decision to the pollution control hearings board.
- (9) The department of health may approve plans containing intertie proposals prior to the department of ecology's decision on the water right application for change in place of use. However, notwithstanding such approval, construction work on the intertie shall not begin until the department of ecology issues the appropriate water right document to the applicant consistent with the approved plan.
- 38 (10) An intertie may not be used to deliver a primary or secondary 39 supply of water to a receiving system on a temporary basis unless the

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terms of the intertie agreement specify the source of the water that 1 will be used by the receiving system to replace the water delivered on 2 the temporary basis, and provide that replacement water will be 3 4 available for delivery to, or use by, the receiving system before delivery by the supplying system under the agreement is terminated. 5 However, if a primary or secondary supply of water is delivered to a 6 7 receiving system on a temporary basis by means of an intertie on the 8 effective date of this section and the agreement between the supplying 9 system and receiving system does not contain such provision for such a replacement supply of water for the receiving system, the delivery of 10 the water by the supplying system to the receiving system may not be 11 terminated until the agreement is modified to establish such 12 provisions, and such replacement water is available for delivery to or 13 14 use by the receiving system.

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